

**IOWA CENTRAL COMMUNITY COLLEGE**

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

**June 30, 2009**

## TABLE OF CONTENTS

	<u>Page</u>
Officials	1
Independent Auditor's Report	2-3
Management's Discussion and Analysis	4-10
Basic Financial Statements:	<u>Exhibit</u>
Statement of Net Assets	A 11-12
Statement of Revenues, Expenses and Changes in Net Assets	B 13-14
Statement of Cash Flows	C 15-16
Notes to Financial Statements	17-32
Required Supplementary Information:	
Schedule of Funding Progress for the Retiree Health Plan	33
Other Supplementary Information:	<u>Schedule</u>
Note to Other Supplementary Information	34
Budgetary Comparison Schedule of Expenditures - Budget and Actual	1 35
Balance Sheet – All Funds	2 36-37
Schedule of Revenues, Expenditures and Changes in Fund Balances – All Funds	3 38-39
Unrestricted Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Education and Support	4 40-41
Schedule of Revenues, Expenditures and Changes in Fund Balances – Auxiliary Enterprises	5 42
Schedule of Revenues, Expenditures and Changes in Fund Balances – Restricted Fund	6 43-44
Schedule of Changes in Deposits Held in Custody for Others	7 45
Schedule of Credit and Contact Hours	8 46
Schedule of Tax and Intergovernmental Revenues	9 47
Schedule of Current Fund Revenues by Source and Expenditures by Function	10 48
Schedule of Expenditures of Federal Awards	11 49-51
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	52-53
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program And Internal Control over Compliance in Accordance with OMB Circular A-133	54-55
Schedule of Findings and Questioned Costs	56-58

## OFFICIALS

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
<b>Board of Directors</b> <i>(Before September 2008 Election)</i>		
Mark Crimmins	President	2009
Dr. John Hodges	Vice President	2008
Thomas Chelesvig	Member	2008
Garland Hanson	Member	2009
Deborah Plahn	Member	2010
Darrell Determann	Member	2010
Connie Smith	Member	2008
Douglas McDermott	Member	2010
Larry Hecht	Member	2009

### **Board of Directors** *(After September 2008 Election)*

Mark Crimmins	President	2009
Larry Hecht	Vice President	2009
Thomas Chelesvig	Member	2011
Garland Hanson	Member	2009
Deborah Loerch	Member	2011
Darrell Determann	Member	2011
Connie Smith	Member	2011
Douglas McDermott	Member	2011
Terry Wessels	Member	2009

### **Community College**

Dr. Daniel Kinney	President
Thomas Beneke	Vice President
Marlene McComas	Vice President
James Kersten	Associate Vice President
Laurie Hendricks	Associate Vice President
Karen Lombard	Board Secretary/Treasurer

**IOWA CENTRAL COMMUNITY COLLEGE**



## **SCHNURR & COMPANY, LLP**

**Certified Public Accountants and Consultants**

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Iowa Central Community College  
Fort Dodge, Iowa 50501

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2009, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Central Community College and its discretely presented component unit at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2009 on our consideration of Iowa Central Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 10 and 33, respectively, are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Schnurr & Company, LLP*

Fort Dodge, Iowa  
December 21, 2009

## **IOWA CENTRAL COMMUNITY COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Iowa Central Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

#### **FINANCIAL HIGHLIGHTS**

- College operating revenues increased in FY09. Tuition revenue increased due to the increase in the tuition rate per credit hour and due to the increase in enrolled credit hours. Auxiliary enterprises revenues increased due to the increase in bookstore sales, the increase in the number of students in College housing and the increase in the College self-funded employee health plan reserve, and the increase in revenue due to the College operation of the Health & Fitness Center. Plant fund revenue increased due to an increase in property tax revenue to be used to pay principal and interest on General Obligation Bonds.
- College operating expenses increased in FY09 due to salary and benefit increases and the increase in part-time salaries because of the increase in student enrollment, the increase in professional services, the increase in transfer expenditures, and the increase in materials, supplies, and travel. Older buildings and the deferral of maintenance and repair of buildings over the years, and the addition of new buildings, continues to cause higher physical facility expenditures for building maintenance and repairs.

#### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the College's financial activities.

The Basic Financial Statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the College's budget for the year, and Supplementary Information provides detailed information about the individual funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

#### *The Statement of Net Assets*

The Statement of Net Assets presents the assets, liabilities, and net assets of the College as a whole, as of the end of the fiscal year. The Statement of Net Assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Assets includes year-end information concerning current and non-current assets, current and non-current liabilities, and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net assets. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	June 30,	
	2009	2008
Current and other assets	\$ 38,442,316	\$ 45,070,742
Capital assets, net of accumulated depreciation	46,779,888	33,823,757
Total assets	85,222,204	78,894,499
Current liabilities	16,795,409	19,576,373
Noncurrent liabilities	39,758,591	33,365,000
Total liabilities	56,554,000	52,941,373
Net assets:		
Invested in capital assets, net of related debt	12,414,888	17,265,902
Restricted	2,766,051	1,536,032
Unrestricted	13,487,265	7,151,192
Total net assets	\$ 28,668,204	\$ 25,953,126

Invested in capital assets (e.g., land, buildings, and equipment), net of related debt, represents 43% of the College's net assets. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (10%) includes resources that are subject to external restrictions. The largest portion of the College's net assets (47%) are the unrestricted net assets that can be used to meet the College's obligations as they come due.

#### *Statement of Revenues, Expenses and Changes in Net Assets*

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (Continued)

#### *Statement of Revenues, Expenses and Changes in Net Assets (Continued)*

In general, a public college such as Iowa Central Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituents of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

#### Changes in Net Assets

	Year ended June 30	
	2009	2008
Operating revenue:		
Tuition and fees	\$ 14,026,993	\$ 12,747,258
Federal appropriations	3,101,830	1,941,185
Iowa Industrial New Jobs Training Program	1,910,326	2,124,379
Auxiliary	10,923,533	10,563,977
Sales and services	532,970	495,999
Contributions and pledges	-	2,476,000
Miscellaneous	570,814	384,438
Total operating revenue	31,066,466	30,733,236
Total operating expenses	51,106,916	46,226,893
Operating loss	(20,040,450)	(15,493,657)
Nonoperating revenues (expenses):		
State appropriations	12,477,593	11,495,819
Pell grant	5,256,819	4,308,697
Property tax	5,818,758	3,540,724
Interest income on investments	395,575	834,413
Gain (loss) on sale of capital assets	(34,411)	98,931
Interest on indebtedness	(1,158,806)	(1,166,122)
Net nonoperating revenues	22,755,528	19,112,462
Increase in net assets	2,715,078	3,618,805
Net assets beginning of year	25,953,126	22,334,321
Net assets end of year	\$ 28,668,204	\$ 25,953,126

The Statement of Revenues, Expenses and Changes in Net Assets reflects an increase in the net assets at the end of the fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### REPO REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (Continued)

#### *Total Revenue by Source*

In fiscal year 2009, operating revenues increased as a result of the following:

- Tuition and fees increased due to the increase in enrollment and the resident tuition rate increased from \$102 per credit hour in FY08 to \$109 per credit hour in FY09.
- Auxiliary enterprises revenue increased due to the enrollment increase and the resulting increase in bookstore sales, the increase in students in College housing, and the increase in premium dollars in the College self-funded employee health plan, and the increase in revenue due to the College operation of the Health & Fitness Center.
- Plant fund revenue increased due to an increase in property tax revenue to be used to pay principal and interest in General Obligation Bonds.

	Operating Expenses	
	Year ended June 30	
	2009	2008
Education and support:		
Liberal arts and sciences	\$ 7,350,304	\$ 6,458,172
Vocational technical	6,185,471	5,046,862
Adult education	2,786,018	2,590,539
Cooperative services	3,238,642	3,089,238
Administration	1,314,215	1,273,515
Student services	4,693,492	4,029,297
Learning resources	313,071	270,819
Physical plant	4,086,405	3,208,075
General institution	7,161,556	6,471,924
Auxiliary enterprises	8,255,996	8,136,263
Scholarships and grants	1,793,102	1,933,207
Workforce Investment Act	95,476	80,691
Administrative and collection costs	2,432,283	2,216,651
Depreciation	1,400,885	1,421,640
Total	\$ 51,106,916	\$ 46,226,893

#### *Total Expenses*

In fiscal year 2009, operating expenses increased as a result of the following:

- Moderate salary and benefit increases.
- Additional part-time salaries due to increased student enrollment.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (Continued)

#### *Total Expenses (continued)*

- Additional maintenance and increased utility costs due to expansion of existing facilities and the addition of new buildings and continued costly maintenance and repair of aging facilities.
- Increase in housing expenses due to additional College housing.
- Increase in medical and dental payments in the College self-funded employee health plan.

#### *Statement of Cash Flows*

A statement included in Iowa Central Community College's basic financial statements is the Statement of Cash Flows. The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing and investing activities.

#### **Cash Flows**

	<b>Year ended June 30</b>	
	<b>2009</b>	<b>2008</b>
Cash provided (used) by:		
Operating activities	\$ (17,867,192)	\$ (9,144,741)
Non-capital financing activities	21,508,672	14,683,356
Capital and related financing activities	(9,361,098)	8,650,899
Investing activities	395,575	834,413
Net increase (decrease) in cash	(5,324,043)	15,023,927
Cash beginning of year	29,638,498	14,614,571
Cash end of year	\$ 24,314,455	\$ 29,638,498

Cash used by operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations and local property tax received by the College. Cash used by capital and related financing activities represents the principal payments of debt and the purchase of capital assets. Cash provided by investing activities includes investment income received.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSETS

At June 30, 2009, the College had approximately \$47 million invested in capital assets, net of accumulated depreciation of approximately \$18 million. Depreciation charges totaled \$1,400,885 for FY09. Details of the capital assets are shown below.

#### Capital Assets, Net, at Year-End

	June 30,	
	2009	2008
Land	\$ 1,361,616	\$ 1,067,616
Buildings	24,620,868	25,322,023
Construction in progress	15,118,319	2,696,777
Improvements other than buildings	3,607,795	3,243,929
Equipment and vehicles	2,071,290	1,493,412
	<u>\$ 46,779,888</u>	<u>\$ 33,823,757</u>

Major capital expenditures for fiscal year ending June 30, 2009, included completion of construction of Student Residence Apartment Building #14, continued construction of a Biotechnology and Health Sciences Center and Student Residence Apartment Building #15 and beginning construction of a Student Resource Center.

Planned capital expenditures for the fiscal year ending June 30, 2010, and beyond include completion of construction of Student Residence Apartment Building #15 and the continued construction of the Student Resource Center.

More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

### DEBT

At June 30, 2009, the College had approximately \$41 million in debt outstanding, an increase of \$3,970,000 from fiscal year 2008. The table below summarizes these amounts by type.

#### Outstanding Debt

	June 30,	
	2009	2008
Certificates payable	\$ 6,560,000	\$ 8,335,000
Capital loan notes payable	3,345,000	3,930,000
Bonds payable	31,020,000	24,690,000
	<u>\$ 40,925,000</u>	<u>\$ 36,955,000</u>

More detailed information about the College's outstanding debt is presented in Note 5 to the financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### ECONOMIC FACTORS

Iowa Central Community College continued to improve its financial position during the current fiscal year. Maintaining the current good condition of the economy in the state is a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- State general aid from 2008-2009 to 2009-2010 was reduced approximately \$1.4M due to the faltering national and state economy. The \$1.4M was “backfilled” with \$1.4M of federal stimulus funds for 2009-2010. The major concern is when the federal stimulus dollars are not available for 2010-2011. In October 2009 the state announced a further 10% cut in 2009-2010 state general aid, approximately \$870,000.
- Expenses will continue to increase. As the number of students increases, the costs associated with serving them continue to increase.
- The College will continue to expand distance-learning opportunities in FY09 and beyond and is involved with school districts in the operation of Alternative High Schools and Charter Schools. The number of contracted courses offered with high schools continues to increase. The College works in joint partnership with Barker Educational Services Team (BEST) to offer students a variety of programs via the 8-Week Online Program through the Distance Learning Office.
- The start-up of new programs is expensive. New programs to be started in FY10 include Fire Service Administration, Technology Teacher Education, and Professional Photography.
- Aging facilities at the College require constant maintenance and upkeep. The increase in number of buildings creates increased utility costs, maintenance and upkeep expenses.
- Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- Property tax revenue in 2004-2005 decreased 15 percent due to reduced farmland valuation. Property tax revenue to support the College operating fund for 2009-2010 will be just \$5,000 more than the property taxes received in 2003-2004.

The College anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the College's ability to react to unknown issues.

### CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Central Community College, One Triton Circle, Fort Dodge, IA 50501.

**IOWA CENTRAL COMMUNITY COLLEGE**

## **BASIC FINANCIAL STATEMENTS**

## IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A

## STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	Primary Government	Component Unit
Current assets:		
Cash and pooled investments	\$ 24,314,455	\$ 2,636,760
Receivables:		
Accounts	1,377,199	-
Capital Campaign	-	914,776
Property tax:		
Succeeding year	5,504,230	-
Iowa Industrial New Jobs Training Program	1,699,591	-
Due from other governments	911,766	-
Inventories	657,162	-
Prepaid expenses	196,746	-
<b>Total current assets</b>	<u>34,661,149</u>	<u>3,551,536</u>
Noncurrent assets:		
Receivables:		
Iowa Industrial New Jobs Training Program	3,781,167	-
Capital assets, net of accumulated depreciation	<u>46,779,888</u>	<u>-</u>
<b>Total noncurrent assets</b>	<u>50,561,055</u>	<u>-</u>
<b>Total assets</b>	<u>85,222,204</u>	<u>3,551,536</u>



## IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A  
(Continued)

## STATEMENT OF NET ASSETS

June 30, 2009

LIABILITIES	Primary Government	Component Unit
Current liabilities:		
Accounts payable	\$ 598,108	\$ 1,061
Salaries and benefits payable	943,208	-
Interest payable	201,874	-
Deferred revenue:		
Succeeding year property tax	5,504,230	-
Other	5,096,553	-
Compensated absences	384,091	-
Deposits held in custody for others	1,052,345	-
Certificates payable	1,005,000	-
Capital loan notes payable	615,000	-
Bonds payable	1,395,000	-
<b>Total current liabilities</b>	<u>16,795,409</u>	<u>1,061</u>
Noncurrent liabilities:		
Certificates payable	5,555,000	-
Capital loan notes payable	2,730,000	-
Bonds payable	29,625,000	-
Net OPEB liability	1,848,591	-
<b>Total noncurrent liabilities</b>	<u>39,758,591</u>	<u>-</u>
<b>Total liabilities</b>	<u>56,554,000</u>	<u>1,061</u>
<b>Net assets</b>		
Invested in capital assets, net of related debt	12,414,888	-
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	1,929,214
Expendable:		
Capital campaign	-	914,776
Scholarships and fellowships	28,500	706,485
Loans	4,992	-
Cash reserve	319,603	-
Other	2,412,956	-
Unrestricted	13,487,265	-
<b>Total net assets</b>	<u>\$ 28,668,204</u>	<u>\$ 3,550,475</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2009**

	<b>Primary Government</b>	<b>Component Unit</b>
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$3,446,096	\$ 14,026,993	\$ -
Federal appropriations	3,101,830	-
Iowa Industrial New Jobs Training Program	1,910,326	-
Auxiliary enterprises revenue, net of scholarship allowances of \$40,871	10,923,533	-
Sales and services	532,970	5,000
Farm income	-	168,721
Miscellaneous	570,814	-
Contributions and pledges	-	314,597
<b>Total operating revenues</b>	<b>31,066,466</b>	<b>488,318</b>
Operating expenses:		
Education and support:		
Liberal arts and science	7,350,304	-
Vocational technical	6,185,471	-
Adult education	2,786,018	-
Cooperative services	3,238,642	-
Administration	1,314,215	-
Student services	4,693,492	-
Learning resources	313,071	-
Physical plant	4,086,405	-
General institution	7,161,556	-
Auxiliary enterprises	8,255,996	-
Scholarships and grants	1,793,102	187,657
Workforce Investment Act	95,476	-
Administrative and collection costs	2,432,283	-
Depreciation	1,400,885	-
Farm expenses	-	119,224
Donations	-	536,836
Management and general expenses	-	60,694
<b>Total operating expenses</b>	<b>51,106,916</b>	<b>904,411</b>
<b>Operating income (loss)</b>	<b>(20,040,450)</b>	<b>(416,093)</b>

(Continued on next page)

## IOWA CENTRAL COMMUNITY COLLEGE

Exhibit B  
(Continued)STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
Year Ended June 30, 2009

	Primary Government	Component Unit
Nonoperating revenues (expenses):		
State appropriations	\$ 12,477,593	\$ -
Pell grant	5,256,819	-
Property tax	5,818,758	-
Interest income from investments	395,575	82,088
Loss on disposal of capital assets	(34,411)	-
Interest on indebtedness	(1,158,806)	-
Realized and unrealized loss on investments	-	(534,899)
<b>Net nonoperating revenues (expenses)</b>	<b>22,755,528</b>	<b>(452,811)</b>
Change in net assets	2,715,078	(868,904)
Net assets beginning of year	25,953,126	4,419,379
Net assets end of year	<u>\$ 28,668,204</u>	<u>\$ 3,550,475</u>

See notes to financial statements.

**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2009**

<b>Cash Flows from Operating Activities:</b>	
Tuition and fees	\$ 14,026,993
Federal appropriations	2,796,870
Iowa Industrial New Jobs Training Program	3,076,455
Payments to employees for salaries and benefits	(22,310,252)
Payments to suppliers for goods and services	(22,137,890)
Payments to NJTP recipients	(1,987,151)
Scholarships	(1,793,102)
Auxiliary enterprise receipts	10,923,533
Other receipts	(462,648)
<b>Net cash used by operating activities</b>	<b>(17,867,192)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
State appropriations	12,477,593
Pell grant	5,256,819
Property tax	5,818,758
Agency Fund receipts	2,669,300
Agency Fund disbursements	(2,494,663)
Interest paid on debt	(444,135)
Principal paid on debt	(1,775,000)
<b>Net cash provided by non-capital financing activities</b>	<b>21,508,672</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition of capital assets	(14,391,427)
Interest paid on debt	(714,671)
Proceeds from issuance of debt	8,000,000
Principal paid on debt	(2,255,000)
<b>Net cash used by capital and related financing activities</b>	<b>(9,361,098)</b>
<b>Cash Flows from Investing Activities:</b>	
Interest on investments	395,575
<b>Net cash provided by investing activities</b>	<b>395,575</b>
<b>Net (decrease) in cash</b>	<b>(5,324,043)</b>
Cash beginning of year	29,638,498
Cash end of year	\$ 24,314,455

(Continued on next page)

## IOWA CENTRAL COMMUNITY COLLEGE

Exhibit C  
(Continued)

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2009

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Reconciliation of operating loss to	
net cash used by operating activities:	
Operating loss	\$ (20,040,450)
Adjustments to reconcile operating loss to	
net cash used by operating activities:	
Depreciation	1,400,885
Changes in assets and liabilities:	
Decrease in accounts receivable	120,757
Decrease in NJTP receivable	1,166,129
Increase in due from other governments	(304,960)
Decrease in inventories	32,248
Increase in prepaid expenses	(63,956)
Decrease in accounts payable	(76,825)
Decrease in salaries payable	(297,820)
Increase in interest payable	5,937
Decrease in deferred revenue	(1,687,189)
Increase in Net OPEB liability	1,848,591
Increase in compensated absences	29,461
	<hr/>
<b>Total adjustments</b>	<b>2,173,258</b>
	<hr/>
<b>Net cash used by operating activities</b>	<b>\$ (17,867,192)</b>
	<hr/>

See Notes to Financial Statements.

# IOWA CENTRAL COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies

Iowa Central Community College is a publicly supported school established and operated by Merged Area V under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Central Community College maintains campuses in Fort Dodge, Webster City, and Storm Lake, Iowa, and has its administrative offices in Fort Dodge. Iowa Central Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area V.

The College's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

#### A. Reporting Entity

For financial reporting purposes, Iowa Central Community College has included all funds, organizations, agencies, boards, commissions and authorities. The College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the Community College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Community College.

These financial statements present Iowa Central Community College (the primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationships with the College. Certain disclosures about the component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the College.

Iowa Central Community College Foundation is a legally separate, tax-exempt foundation. The Foundation was established for the purpose of maintaining, developing and extending its facilities and services for the benefit of Iowa Central Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources that are held are used for the benefit of Iowa Central Community College.

#### B. Basis of Presentation

GASB Statement No. 35, establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following four net asset categories:

Invested in Capital Assets, Net of Related Debt: Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### B. Basis of Presentation (continued)

##### Restricted Net Assets:

*Nonexpendable* – Net assets subject to externally-imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

*Expendable* – Net assets whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of the College, pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Assets: Net assets that are not subject to externally-imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and general programs of the College.

GASB Statement No. 35 also requires the Statements of Net Assets, Revenues, Expenses and Changes in Net Assets, and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

#### C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Pooled Investments – Investments are stated at fair value. For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amount of cash and, at the day of purchase, they have a maturity date not longer than three months.

Due from Other Governments – This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the Federal government.

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expenditure at the time individual inventory items are consumed.

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Measurement Focus and Basis of Accounting (Continued)

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2009 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include land, buildings and improvements, and equipment and vehicles, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. No interest costs were capitalized since there were no qualifying assets.

Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

<u>Assets</u>	<u>Amount</u>
Land, buildings and improvements	\$ 5,000
Equipment and vehicles	5,000

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	25-50
Equipment and vehicles	5-10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.



## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Measurement Focus and Basis of Accounting (Continued)

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, and other receivables not collected within sixty days after year end.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2009.

Refundable Advances on Student Loans – The Perkins Federal Loan program requires a return of federal capital contribution if the United States Government terminates the program.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, Health and Fitness Center, self-insurance program and athletics.

Summer Session – The College operates summer sessions during May, June and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar.

Tuition and Fees – Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Operating and Nonoperating Activities – Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Assets, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, property tax and interest income.

#### D. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Cash and Pooled Investments

The College's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk – The College's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the College.

### Note 3. Inventories

The College's inventories at June 30, 2009 are as follows:

Type	Amount
Merchandise held for sale	\$ 657,652
Materials held for sale	162

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2009 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 1,067,616	\$ 294,000	\$ -	\$ 1,361,616
Construction in progress	2,696,777	12,421,542	-	15,118,319
Total capital assets not being depreciated	3,764,393	12,715,542	-	16,479,935
Capital assets being depreciated:				
Buildings	35,102,459	-	-	35,102,459
Improvements other than buildings	4,292,351	535,560	-	4,827,911
Equipment and vehicles	6,850,055	1,140,325	53,891	7,936,489
Total capital assets being depreciated	46,244,865	1,675,885	53,891	47,866,859
Less accumulated depreciation for:				
Buildings	9,779,543	702,048		10,481,591
Improvements other than buildings	1,048,422	171,694		1,220,116
Equipment and vehicles	5,357,536	527,143	19,480	5,865,199
Total accumulated depreciation	16,185,501	1,400,885	19,480	17,566,906
Total capital assets being depreciated, net	30,059,364	275,000	34,411	30,299,953
<b>Capital assets, net</b>	<b>\$ 33,823,757</b>	<b>\$ 12,990,542</b>	<b>\$ 34,411</b>	<b>\$ 46,779,888</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2009 is as follows:

	<b>Certificates Payable</b>	<b>Capital Loan Notes Payable</b>	<b>Bonds Payable</b>	<b>Net OPEB Liability</b>	<b>Total</b>
Balance, beginning of year	\$ 8,335,000	\$ 3,930,000	\$ 24,690,000	\$ -	\$ 36,955,000
Additions	-	-	8,000,000	1,848,591	9,848,591
Reductions	1,775,000	585,000	1,670,000	-	4,030,000
Balance, end of year	\$ 6,560,000	\$ 3,345,000	\$ 31,020,000	\$ 1,848,591	\$ 42,773,591

#### Certificates Payable:

In accordance with agreements dated between June 1, 1998 and December 1, 2007, the College issued certificates totaling \$14,045,000 with interest rates ranging from 2.55% to 8.25%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 1,005,000	\$ 353,276	\$ 1,358,276
2011	960,000	302,926	1,262,926
2012	995,000	253,036	1,248,036
2013	1,060,000	199,710	1,259,710
2014-2017	2,540,000	303,985	2,843,985
<b>Total</b>	<b>\$ 6,560,000</b>	<b>\$ 1,412,933</b>	<b>\$ 7,972,933</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Changes in Long-Term Debt (Continued)

#### Capital Loan Notes Payable:

The College has issued notes for the purchase and construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2009 capital loan notes payable indebtedness are as follows:

Note Issuance of July 1, 2000				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2010	5.85	\$ 115,000	\$ 38,680	\$ 153,680
2011-2013	5.95-6.05	250,000	56,764	306,764
2014	6.05	135,000	17,012	152,012
2015	6.10	145,000	8,846	153,846
<b>Total</b>		<b>\$ 645,000</b>	<b>\$ 121,302</b>	<b>\$ 766,302</b>

Note Issuance of October 1, 2001				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2010	4.20	\$ 130,000	\$ 31,587	\$ 161,587
2011-2012	4.35-4.50	275,000	46,386	321,386
2013	4.60	145,000	13,955	158,955
2014	4.70	155,000	7,282	162,282
<b>Total</b>		<b>\$ 705,000</b>	<b>\$ 99,210</b>	<b>\$ 804,210</b>

Note Issuance of July 1, 2003				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2010	3.10	\$ 245,000	\$ 45,730	\$ 290,730
2011-2012	3.30-3.50	520,000	67,856	587,856
2013	3.60	275,000	20,445	295,445
2014	3.70	285,000	10,546	295,546
<b>Total</b>		<b>\$ 1,325,000</b>	<b>\$ 144,577</b>	<b>\$ 1,469,577</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Changes in Long-Term Debt (Continued)

#### Capital Loan Notes Payable (continued):

Note Issuance of March 1, 2004				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2010	3.00	\$ 125,000	\$ 22,947	\$ 147,947
2011-2012	3.25-3.45	260,000	34,335	294,335
2013	3.60	140,000	10,478	150,478
2014	3.75	145,000	5,438	150,438
<b>Total</b>		<b>\$ 670,000</b>	<b>\$ 73,198</b>	<b>\$ 743,198</b>

#### Bonds Payable:

The College has issued bonds for the construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2009 bonded indebtedness are as follows:

Bond Issuance of August 1, 2003				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2010	3.10	\$ 470,000	\$ 179,996	\$ 649,996
2011-2017	3.30-4.30	3,740,000	769,798	4,509,798
2018	4.45	290,000	21,875	311,875
2019	4.60	195,000	8,970	203,970
<b>Total</b>		<b>\$ 4,695,000</b>	<b>\$ 980,639</b>	<b>\$ 5,675,639</b>

Bond Issuance of September 1, 2003				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2010	3.80	\$ 45,000	\$ 43,582	\$ 88,582
2011-2017	4.00-5.00	640,000	220,381	860,381
2018	5.10	120,000	12,620	132,620
2019	5.20	125,000	6,500	131,500
<b>Total</b>		<b>\$ 930,000</b>	<b>\$ 283,083</b>	<b>\$ 1,213,083</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Changes in Long-Term Debt (Continued)

#### Bonds Payable (continued):

<b>Bond Issuance of August 1, 2004</b>				
<b>Year Ending June 30,</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<b>Rate</b>			
2010	3.75	\$ 55,000	\$ 84,342	\$ 139,342
2011-2018	3.95-5.00	1,280,000	492,954	1,772,954
2019	5.10	220,000	23,440	243,440
2020	5.20	235,000	12,220	247,220
<b>Total</b>		<b>\$ 1,790,000</b>	<b>\$ 612,956</b>	<b>\$ 2,402,956</b>

<b>Bond Issuance of August 1, 2005</b>				
<b>Year Ending June 30,</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<b>Rate</b>			
2010	3.80	\$ 70,000	\$ 43,170	\$ 113,170
2011-2018	3.90-4.50	705,000	230,453	935,453
2019	4.60	110,000	10,408	120,408
2020	4.65	115,000	5,348	120,348
<b>Total</b>		<b>\$ 1,000,000</b>	<b>\$ 289,379</b>	<b>\$ 1,289,379</b>

<b>Bond Issuance of October 1, 2007</b>				
<b>Year Ending June 30,</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<b>Rate</b>			
2010	4.00	\$ 195,000	\$ 257,015	\$ 452,015
2011	4.05	205,000	249,215	454,215
2012	4.10	215,000	240,913	455,913
2013	4.15	225,000	232,098	457,098
2014-2027	4.25-5.15	4,625,000	1,903,324	6,528,324
<b>Total</b>		<b>\$ 5,465,000</b>	<b>\$ 2,882,565</b>	<b>\$ 8,347,565</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Changes in Long-Term Debt (Continued)

#### Bonds Payable (continued):

Year Ending June 30,	Bond Issuance of March 1, 2008			
	Interest Rate	Principal	Interest	Total
2010	3.50	\$ 350,000	\$ 338,963	\$ 688,963
2011	3.50	365,000	326,713	691,713
2012	3.50	380,000	313,938	693,938
2013	3.50	395,000	300,638	695,638
2014-2027	3.50-4.00	7,650,000	2,416,874	10,066,874
<b>Total</b>		<b>\$ 9,140,000</b>	<b>\$ 3,697,126</b>	<b>\$ 12,837,126</b>

Year Ending June 30,	Bond Issuance of March 1, 2009			
	Interest Rate	Principal	Interest	Total
2010	4.00	\$ 210,000	\$ 408,229	\$ 618,229
2011	4.00	310,000	318,184	628,184
2012	4.00	315,000	305,784	620,784
2013	4.00	325,000	293,184	618,184
2014	4.00	335,000	280,184	615,184
2015-2027	4.00-4.38	6,505,000	2,231,771	8,736,771
<b>Total</b>		<b>\$ 8,000,000</b>	<b>\$ 3,837,336</b>	<b>\$ 11,837,336</b>



## NOTES TO FINANCIAL STATEMENTS

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### Note 6. Operating Leases

The College has leased various facilities and equipment. These leases have been classified as operating leases and accordingly, all rents are charged as incurred. The leases expire between 2009 and 2013 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2009:

<b>Year Ending June 30</b>	<b>Amount</b>
2010	\$ 181,654
2011	161,596
2012	111,569
2013	63,075
2014	-
Thereafter	-
<b>Total</b>	<b>\$ 517,894</b>

Rents for the year ended June 30, 2009 for all operating leases, except those with terms of a month or less which were not renewed, totaled \$215,450.

### Note 7. Iowa Public Employees Retirement System (IPERS)

The College contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the College is required to contribute 6.35% of annual covered salary. Contribution requirements are established by state statute. The College's contributions to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$608,216, \$557,445 and \$484,034, respectively, equal to the required contributions for each year.

## NOTES TO FINANCIAL STATEMENTS

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### **Note 8. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)**

The College contributes to the TIAA-CREF retirement program that is a defined contribution plan. TIAA administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 4.10% and the College is required to contribute 6.35%. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2009 were \$376,434 and \$243,052, respectively.

### **Note 9. Other Postemployment Benefits (OPEB)**

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions during the year ended June 30, 2009.

Plan Description - The College operates a single-employer retiree benefit plan that provides medical/prescription drug benefits for retirees and their spouses. There are 276 active and 45 retired members in the plan. Participants must be age 55 or older at retirement.

The College pays the employer share of premiums for both single and family coverage for active employees and purchases the fully insured benefits through its self-funded group insurance plan. Upon retirement, the retiree can continue his/her health coverage. The College pays the required premium. The Plan coverage terminates upon reaching Medicare eligibility age 65.

Funding Policy - The contribution requirements of plan members are established and may be amended by the College. The College currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The College's annual OPEB cost is calculated based on the annual required contribution (ARC) of the Community College, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Other Postemployment Benefits (OPEB) (Continued)

The following table shows the components of the College's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the College's net OPEB obligation:

Annual required contribution	\$ 1,848,591
Contributions made	<u>-</u>
Increase in net OPEB obligation	1,848,591
Net OPEB obligation beginning of year	<u>-</u>
Net OPEB obligation end of year	<u><u>\$ 1,848,591</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2009.

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 1,848,591	0%	\$ 1,848,591

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$9.996 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.996 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$12,797,000 and the ratio of the UAAL to covered payroll was 78%. As of June 30, 2009, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## NOTES TO FINANCIAL STATEMENTS

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### **Note 9. Other Postemployment Benefits (OPEB) (Continued)**

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2008 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.50% discount rate based on the College's funding policy. The projected annual health cost trend rate is 6%.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

### **Note 10. New Jobs Training Programs**

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area V in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries that are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes. Since inception, the College administered ninety-nine projects with sixteen currently receiving project funding. Thirteen of the remaining projects have been completed and only repayment of the certificates is left. The remaining seventy projects have been completed and the certificates have been paid. In cases where projects exceed the budgeted amounts, the college intends to obtain additional withholding revenue from the companies.

## NOTES TO FINANCIAL STATEMENTS

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### Note 11. Early Retirement and Contingent Liability

Full-time staff that are at least the age of 55 and who have at least 10 years of continuous service with the College are eligible for the early retirement incentive program. Early retirement begins at the end of the employee's contract. A staff member who accepts early retirement may receive cash benefits on September 15 and March 15 of the following fiscal year.

Early retirement is funded on a pay-as-you-go basis through property tax levies. The College's early retirement expense for the year ended June 30, 2009 was \$360,391.

### Note 12. Risk Management

Iowa Central Community College carries commercial insurance purchased from insurers for coverage associated with torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### Note 13. Deficit Fund Balance

The College has a deficit balance in the funds as listed below as of June 30, 2009. Management believes that future transfers from unrestricted current funds will eliminate these deficit balances.

Unrestricted Fund:

Career Education	\$ (86,710)
Miscellaneous	(128,007)

Restricted Fund:

Unemployment compensation	(24,232)
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### Note 14. Self-Insurance Program

Effective July 1, 2000, the College has a self-insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$100,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to \$3,085,820 as of June 30, 2009. For June 30, 2009, the College paid \$2,886,264 under the program.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**IOWA CENTRAL COMMUNITY COLLEGE**

**SCHEDULE OF FUNDING PROGRESS  
FOR THE RETIREE HEALTH PLAN  
(In Thousands)**

**Required Supplementary Information**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
July 1, 2008	\$ -	\$ 9,996	\$ 9,996	0%	\$ 12,797	78%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, and the funded status and funding progress.

## **OTHER SUPPLEMENTARY INFORMATION**



## IOWA CENTRAL COMMUNITY COLLEGE

### NOTE TO OTHER SUPPLEMENTARY INFORMATION

June 30, 2009

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Other supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. The various fund groups and their designated purposes are as follows:

Current Funds – The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the College and consist of the following:

Unrestricted Fund – The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the College.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the College.

Restricted Fund – The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

Loan Funds – The Loan Funds are used to account for loans to students, and are financed primarily by the federal government.

Endowment Funds – The Endowment Funds are used to account for resources, the principal of which is maintained inviolate to conform with restrictions by donors or other outside agencies. Generally, only the income from these funds may be used.

Plant Funds – The Plant Funds are used to account for transactions relating to investment in the College properties, and consist of the following self-balancing accounts:

Unexpended – This account is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Investment in Plant – This account is used to account for the excess of the carrying value of plant assets over the related liabilities.

Agency Funds – The Agency Funds are used to account for assets held by the College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities.

The Budgetary Comparison Schedule of Expenditures – Budget to Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since Iowa Central Community College uses Business-Type Activities reporting, this budgetary comparison information is included as other supplementary information.

Schedules presented in other supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a schedule of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -  
BUDGET AND ACTUAL**

**Year Ended June 30, 2009**

<b>Funds/Levy</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Between Actual and Amended Budget</b>
Unrestricted	\$ 31,900,000	\$ 31,900,000	\$ 29,318,783	\$ 2,581,217
Restricted	9,237,000	8,737,000	6,261,756	2,475,244
Unemployment	25,000	65,000	51,683	13,317
Tort liability	360,000	380,000	363,738	16,262
Insurance	370,000	340,000	261,471	78,529
Early retirement	400,000	770,000	360,391	409,609
Equipment replacement	600,000	700,000	428,013	271,987
<b>Total restricted</b>	<b>10,992,000</b>	<b>10,992,000</b>	<b>7,727,052</b>	<b>3,264,948</b>
Plant	14,771,000	17,200,000	15,730,077	1,469,923
Bonds and interest	1,318,641	1,318,641	1,158,806	159,835
<b>Total</b>	<b>\$ 58,981,641</b>	<b>\$ 61,410,641</b>	<b>\$ 53,934,718</b>	<b>\$ 7,475,923</b>

**Note to Budgetary Reporting:**

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U. S. generally accepting accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operation expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Improvement Act, Scholarships and Grants Accounts, Loan Funds, Endowment Funds and Agency Funds.

For the year ended June 30, 2009, the College's expenditures did not exceed the amount budgeted.

See accompanying independent auditor's report.

# IOWA CENTRAL COMMUNITY COLLEGE

## BALANCE SHEET - ALL FUNDS

June 30, 2009

Assets	Current Funds		Loan Funds
	Unrestricted	Restricted	
Cash and pooled investments	\$ 8,746,384	\$ 8,027,592	\$ 4,756
Receivables:			
Accounts	1,377,199	-	-
Property tax:			
Succeeding year	1,189,232	1,818,556	-
Iowa Industrial New Jobs Training Program	-	5,480,758	-
Due from other funds	5,943,264	425,465	236
Due from other governments	388,801	513,238	-
Inventories	657,162	-	-
Prepaid expenses	196,746	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
<b>Total assets</b>	<b>\$ 18,498,788</b>	<b>\$ 16,265,609</b>	<b>\$ 4,992</b>

See accompanying Independent Auditor's Report.

**Schedule 2**

<b>Plant Funds</b>		<b>Agency Funds</b>	<b>Adjustments</b>	<b>Total</b>
<b>Unexpended</b>	<b>Investment in Plant</b>			
\$ 7,329,642	\$ -	\$ 206,081	\$ -	\$ 24,314,455
-	-	-	-	1,377,199
2,496,442	-	-	-	5,504,230
-	-	-	-	5,480,758
-	-	836,537	(7,205,502)	-
-	-	9,727	-	911,766
-	-	-	-	657,162
-	-	-	-	196,746
-	1,361,616	-	-	1,361,616
-	35,102,459	-	-	35,102,459
-	15,118,319	-	-	15,118,319
-	4,827,911	-	-	4,827,911
-	7,936,489	-	-	7,936,489
-	-	-	(17,566,906)	(17,566,906)

\$ 9,826,084	\$ 64,346,794	\$ 1,052,345	\$ (24,772,408)	\$ 85,222,204
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# IOWA CENTRAL COMMUNITY COLLEGE

## BALANCE SHEET - ALL FUNDS

June 30, 2009

Liabilities and Fund Balances	Current Funds		Loan Funds
	Unrestricted	Restricted	
Liabilities:			
Accounts payable	\$ 598,108	\$ -	\$ -
Salaries and benefits payable	943,208	-	-
Interest payable	172,433	29,441	-
Due to other funds	7,008,142	-	-
Deferred revenue:			
Succeeding year property tax	1,189,232	1,818,556	-
Other	-	5,096,553	-
Compensated absences	384,091	-	-
Deposits held in custody for others	-	-	-
Certificates payable	-	6,560,000	-
Capital loan notes payable	-	-	-
Bonds payable	-	-	-
Net OPEB Liability	-	-	-
<b>Total liabilities</b>	<b>10,295,214</b>	<b>13,504,550</b>	<b>-</b>
Fund balances:			
Invested in capital assets, net of related debt	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	28,500	-
Loans	-	-	4,992
Cash reserve	-	319,603	-
Other	-	2,412,956	-
Auxiliary enterprises	6,231,383	-	-
Unrestricted	1,972,191	-	-
<b>Total fund balances</b>	<b>8,203,574</b>	<b>2,761,059</b>	<b>4,992</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,498,788</b>	<b>\$ 16,265,609</b>	<b>\$ 4,992</b>

See accompanying Independent Auditor's Report.

**Schedule 2  
(Continued)**

<b>Plant Funds</b>		<b>Agency Funds</b>	<b>Adjustments</b>	<b>Total</b>
<b>Unexpended</b>	<b>Investment in Plant</b>			
\$ -	\$ -	\$ -	\$ -	\$ 598,108
-	-	-	-	943,208
-	-	-	-	201,874
197,360	-	-	(7,205,502)	-
2,496,442	-	-	-	5,504,230
-	-	-	-	5,096,553
-	-	-	-	384,091
-	-	1,052,345	-	1,052,345
-	-	-	-	6,560,000
-	3,345,000	-	-	3,345,000
-	31,020,000	-	-	31,020,000
-	-	-	1,848,591	1,848,591
2,693,802	34,365,000	1,052,345	(5,356,911)	56,554,000
-	29,981,794	-	(17,566,906)	12,414,888
-	-	-	-	28,500
-	-	-	-	4,992
-	-	-	-	319,603
-	-	-	-	2,412,956
-	-	-	(45,404)	6,185,979
7,132,282	-	-	(1,803,187)	7,301,286
7,132,282	29,981,794	-	(19,415,497)	28,668,204
\$ 9,826,084	\$ 64,346,794	\$ 1,052,345	\$ (24,772,408)	\$ 85,222,204

# IOWA CENTRAL COMMUNITY COLLEGE

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS

Year Ended June 30, 2009

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues:			
General:			
State appropriations	\$ 9,901,442	\$ 1,662,819	\$ -
Tuition and fees	17,473,089	-	-
Property tax	1,134,542	2,250,808	-
Federal appropriations	650,064	7,708,349	236
Sales and services	716,334	806,837	-
Interest on investments	161,483	116,714	-
Iowa Industrial New Jobs Training Program	-	1,910,326	-
Increase in plant investment due to plant expenditures	-	-	-
Miscellaneous	152,343	31,635	-
	30,189,297	14,487,488	236
 Auxiliary enterprises:			
Tuition and fees	92,453	-	-
Sales and services	10,871,951	-	-
	10,964,404	-	-
 <b>Total revenues</b>	 41,153,701	 14,487,488	 236
 Expenditures:			
Education and support:			
Liberal arts and science	7,029,027	-	-
Vocational technical	5,281,700	555,471	-
Adult education	2,291,975	339,671	-
Cooperative services	1,707,816	1,910,326	-
Administration	1,043,838	199,816	-
Student services	4,402,589	-	-
Learning resources	293,612	-	-
Physical plant	3,819,969	261,471	-
General institution	3,448,257	4,364,821	-
<b>Total education and support</b>	 29,318,783	 7,631,576	 -

See accompanying Independent Auditor's Report.

Schedule 3

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ 913,332	\$ -	\$ -	\$ 12,477,593
-	-	(3,446,096)	14,026,993
2,433,408	-	-	5,818,758
-	-	-	8,358,649
155,000	-	(1,145,201)	532,970
117,378	-	-	395,575
-	-	-	1,910,326
-	14,391,427	(14,391,427)	-
386,836	-	-	570,814
4,005,954	14,391,427	(18,982,724)	44,091,678
-	-	-	92,453
-	-	(40,871)	10,831,080
-	-	(40,871)	10,923,533
4,005,954	14,391,427	(19,023,595)	55,015,211
-	-	321,277	7,350,304
-	-	348,300	6,185,471
-	-	154,372	2,786,018
-	-	(379,500)	3,238,642
-	-	70,561	1,314,215
-	-	290,903	4,693,492
-	-	19,459	313,071
-	-	4,965	4,086,405
-	-	(651,522)	7,161,556
-	-	178,815	37,129,174



**IOWA CENTRAL COMMUNITY COLLEGE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**

**ALL FUNDS**

**Year Ended June 30, 2009**

	<b>Current Funds</b>		<b>Loan Funds</b>
	<b>Unrestricted</b>	<b>Restricted</b>	
Expenditures (Continued):			
Auxiliary enterprises	\$ 8,966,134	\$ -	\$ -
Scholarships and grants	-	6,297,795	-
Workforce Investment Act	-	95,476	-
Administrative and collection costs	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Depreciation	-	-	-
Loss on disposal of capital assets	-	-	-
Interest on indebtedness	-	-	-
<b>Total expenditures</b>	<b>38,284,917</b>	<b>14,024,847</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,868,784</b>	<b>462,641</b>	<b>236</b>
Transfers:			
Non-mandatory transfers	(1,816,402)	767,142	-
<b>Total transfers</b>	<b>(1,816,402)</b>	<b>767,142</b>	<b>-</b>
Net	1,052,382	1,229,783	236
Fund balances beginning of year	7,151,192	1,531,276	4,756
Fund balances end of year	\$ 8,203,574	\$ 2,761,059	\$ 4,992

See accompanying Independent Auditor's Report.

**Schedule 3**  
**(Continued)**

<b>Plant Funds</b>			
<b>Unexpended</b>	<b>Investment in Plant</b>	<b>Adjustments</b>	<b>Total</b>
\$ -	\$ -	\$ (710,138)	\$ 8,255,996
-	-	(4,504,693)	1,793,102
-	-	-	95,476
2,432,283	-	-	2,432,283
13,297,794	-	(13,297,794)	-
-	53,891	(53,891)	-
-	-	1,400,885	1,400,885
-	-	34,411	34,411
-	-	1,158,806	1,158,806
15,730,077	53,891	(15,793,599)	52,300,133
(11,724,123)	14,337,536	(3,229,996)	2,715,078
6,794,260	(5,745,000)	-	-
6,794,260	(5,745,000)	-	-
(4,929,863)	8,592,536	(3,229,996)	2,715,078
12,062,145	21,389,258	(16,185,501)	25,953,126
\$ 7,132,282	\$ 29,981,794	\$ (19,415,497)	\$ 28,668,204

**IOWA CENTRAL COMMUNITY COLLEGE**

**UNRESTRICTED FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --**

**EDUCATION AND SUPPORT**

**Year Ended June 30, 2009**

	<b>Education</b>			
	<b>Liberal Arts and Sciences</b>	<b>Vocational Technical</b>	<b>Adult Education</b>	<b>Cooperative Services</b>
Revenues:				
State appropriations	\$ 5,849,228	\$ 2,567,761	\$ 1,484,453	\$ -
Tuition and fees	9,571,820	4,495,088	1,857,535	1,264,051
Property tax	-	-	-	-
Federal appropriations	1,200	278,194	259,205	84,064
Sales and services	5,096	17,749	161,947	-
Interest on investments	-	-	-	-
Miscellaneous	-	43,734	69,236	-
	15,427,344	7,402,526	3,832,376	1,348,115
Allocation of support services	1,133,048	566,522	457,577	21,789
<b>Total revenues</b>	<b>16,560,392</b>	<b>7,969,048</b>	<b>4,289,953</b>	<b>1,369,904</b>
Expenditures:				
Salaries and benefits	5,686,710	4,419,802	1,646,124	1,047,862
Services	1,281,703	279,580	523,174	332,311
Materials and supplies	48,130	515,158	101,620	81,351
Travel	11,126	27,339	21,057	5,045
Plant asset acquisitions	-	37,821	-	-
Loan cancellation and bad debts	-	-	-	60,494
Private scholarships	-	-	-	173,629
Miscellaneous	1,358	2,000	-	7,124
	7,029,027	5,281,700	2,291,975	1,707,816
Allocation of support services	6,764,299	3,382,148	2,731,736	130,083
<b>Total expenditures</b>	<b>13,793,326</b>	<b>8,663,848</b>	<b>5,023,711</b>	<b>1,837,899</b>

## Schedule 4

General Adminis- tration	Support				Education and Support Total
	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,901,442
-	50,132	-	-	234,463	17,473,089
1,134,542	-	-	-	-	1,134,542
-	27,401	-	-	-	650,064
-	436	381	120,056	410,669	716,334
-	-	-	-	161,483	161,483
39,125	-	248	-	-	152,343
1,173,667	77,969	629	120,056	806,615	30,189,297
(1,173,667)	(77,969)	(629)	(120,056)	(806,615)	-
-	-	-	-	-	30,189,297
578,868	2,866,285	193,034	1,410,240	1,729,946	19,578,871
331,082	305,340	16,906	1,241,035	914,898	5,226,029
17,314	64,717	80,603	1,002,650	469,996	2,381,539
22,065	39,688	3,069	642	45,354	175,385
-	-	-	165,402	32,489	235,712
-	-	-	-	127,711	188,205
-	-	-	-	-	173,629
94,509	1,126,559	-	-	127,863	1,359,413
1,043,838	4,402,589	293,612	3,819,969	3,448,257	29,318,783
(1,043,838)	(4,402,589)	(293,612)	(3,819,969)	(3,448,257)	-
-	-	-	-	-	29,318,783

(Continued on next page)

**IOWA CENTRAL COMMUNITY COLLEGE**

**UNRESTRICTED FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --  
EDUCATION AND SUPPORT**

**Year Ended June 30, 2009**

	<b>Education</b>			
	<b>Liberal Arts and Sciences</b>	<b>Vocational Technical</b>	<b>Adult Education</b>	<b>Cooperative Services</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 2,767,066	\$ (694,800)	\$ (733,758)	\$ (467,994)
Transfers:				
Non-mandatory transfers	-	(36,054)	-	-
<b>Total transfers</b>	-	(36,054)	-	-
Net	\$ 2,767,066	\$ (730,854)	\$ (733,758)	\$ (467,994)
Fund balance beginning of year				
Fund balance end of year				

See accompanying Independent Auditor's Report.

**Schedule 4  
(Continued)**

<b>Support</b>					<b>Education and Support Total</b>
<b>General Adminis- tration</b>	<b>Student Services</b>	<b>Learning Resources</b>	<b>Physical Plant</b>	<b>General Institution</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 870,514
-	(5,981)	-	-	(635,423)	(677,458)
-	(5,981)	-	-	(635,423)	(677,458)
\$ -	\$ (5,981)	\$ -	\$ -	\$ (635,423)	193,056
					1,779,135
					<u>\$ 1,972,191</u>

**IOWA CENTRAL COMMUNITY COLLEGE**

**UNRESTRICTED FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --**

**AUXILIARY ENTERPRISES**

**Year Ended June 30, 2009**

	<b>Bookstore</b>	<b>Career Education</b>	<b>Self- Insurance Program</b>	<b>Dormitories</b>
Revenues:				
Tuition and fees	\$ -	\$ -	\$ -	\$ 82,100
Sales and services	2,807,649	162,755	3,129,155	4,348,044
<b>Total revenues</b>	<b>2,807,649</b>	<b>162,755</b>	<b>3,129,155</b>	<b>4,430,144</b>
Expenditures:				
Salaries and benefits	117,033	6,135	-	184,196
Services	76,221	3,373	2,886,264	1,681,302
Materials and supplies	4,038	45,001	-	377,661
Travel	-	914	-	73
Plant asset acquisitions	-	-	-	-
Interest on indebtedness	-	-	-	714,671
Cost of goods sold	2,101,159	49,710	-	-
Miscellaneous	-	74,859	-	120,235
<b>Total expenditures</b>	<b>2,298,451</b>	<b>179,992</b>	<b>2,886,264</b>	<b>3,078,138</b>
Excess of revenues over expenditures	509,198	(17,237)	242,891	1,352,006
Transfers:				
Non-mandatory transfers	(228,433)	36,054	-	(946,565)
Net	280,765	18,817	242,891	405,441
Fund balances beginning of year	808,215	(105,527)	2,805,137	1,903,651
Fund balances end of year	\$ 1,088,980	\$ (86,710)	\$ 3,048,028	\$ 2,309,092

See accompanying Independent Auditor's Report.

## Schedule 5

<b>Miscellaneous</b>		<b>Total</b>	
\$	10,353	\$	92,453
	424,348		10,871,951
	434,701		10,964,404
	381,555		688,919
	102,536		4,749,696
	34,986		461,686
	-		987
	4,212		4,212
	-		714,671
	-		2,150,869
	-		195,094
	523,289		8,966,134
	(88,588)		1,998,270
	-		(1,138,944)
	(88,588)		859,326
	(39,419)		5,372,057
\$	(128,007)	\$	6,231,383



# IOWA CENTRAL COMMUNITY COLLEGE

## RESTRICTED FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2009

	<b>Scholarships and Grants</b>	<b>Equipment Replacement</b>	<b>Insurance</b>
Revenues:			
State appropriations	\$ 442,912	\$ -	\$ -
Property tax	-	504,438	381,726
Federal appropriations	5,616,811	-	-
Sales and services	-	-	-
Interest on investments	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	31,635	-	-
<b>Total revenues</b>	<b>6,091,358</b>	<b>504,438</b>	<b>381,726</b>
Expenditures:			
Salaries and benefits	-	-	-
Services	-	8,845	261,471
Materials and supplies	-	83,074	-
Travel	-	-	-
Interest on indebtedness	-	-	-
Federal Pell Grant program	5,256,819	-	-
Federal Supplemental Educational Opportunity Grant	203,448	-	-
Iowa College Student Aid Commission	438,931	-	-
Academic Competitiveness Grant	156,544	-	-
Remittance to State Treasury	-	-	-
Miscellaneous	242,053	336,094	-
<b>Total expenditures</b>	<b>6,297,795</b>	<b>428,013</b>	<b>261,471</b>

Early Retirement		Unemployment Compensation		Cash Reserve		Tort Liability		Workforce Investment Act		Iowa Industrial New Jobs Training Program	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	969,470		18,232		-		376,942		-		-
	-		-		-		-		89,476		-
	-		-		-		-		6,000		-
	-		-		-		-		-		-
	-		-		-		-		-		1,910,326
	-		-		-		-		-		-
	969,470		18,232		-		376,942		95,476		1,910,326
	360,391		51,683		-		363,738		-		-
	-		-		-		-		48,463		1,466,191
	-		-		-		-		27,242		-
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**Schedule 6**

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<b>Miscellaneous</b>		<b>Total</b>	
<hr/>		<hr/>	
\$	1,219,907	\$	1,662,819
	-		2,250,808
	2,002,062		7,708,349
	800,837		806,837
	116,714		116,714
	-		1,910,326
	-		31,635
	<hr/>		<hr/>
	4,139,520		14,487,488
	<hr/>		<hr/>
	2,352,303		3,128,115
	672,291		2,457,261
	611,893		722,209
	68,450		71,818
	-		444,135
	-		5,256,819
	-		203,448
	-		438,931
	-		156,544
	-		-
	551,017		1,145,567
	<hr/>		<hr/>
	4,255,954		14,024,847
	<hr/>		<hr/>

**IOWA CENTRAL COMMUNITY COLLEGE**

**RESTRICTED FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**Year Ended June 30, 2009**

	<b>Scholarships and Grants</b>	<b>Equipment Replacement</b>	<b>Insurance</b>
Excess (deficiency) of revenues	\$ (206,437)	\$ 76,425	\$ 120,255
Transfers:			
Non-mandatory transfers	208,485	(156,804)	-
Net	2,048	(80,379)	120,255
Fund balance beginning of year	26,452	396,574	425,037
Fund balance end of year	<u>\$ 28,500</u>	<u>\$ 316,195</u>	<u>\$ 545,292</u>

See accompanying Independent Auditor's Report.

							<b>Iowa Industrial New Jobs Training Program</b>
<b>Early Retirement</b>	<b>Unemployment Compensation</b>	<b>Cash Reserve</b>	<b>Tort Liability</b>	<b>Workforce Investment Act</b>			
\$ 609,079	\$ (33,451)	\$ -	\$ 13,204	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	
609,079	(33,451)	-	13,204	-	-	-	
(590,766)	9,219	319,603	351,362	-	-	-	
\$ 18,313	\$ (24,232)	\$ 319,603	\$ 364,566	\$ -	\$ -	\$ -	

**Schedule 6**  
**(Continued)**

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<b>Miscellaneous</b>		<b>Total</b>	
\$	(116,434)	\$	462,641
715,461		767,142	
599,027		1,229,783	
593,795		1,531,276	
\$	1,192,822	\$	2,761,059

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## AGENCY FUNDS

## SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS

Year Ended June 30, 2009

	<b>Athletics and Student Organizations</b>	<b>Retraining Program</b>	<b>Miscellaneous</b>	<b>Total</b>
Balances beginning of year	\$ 272,981	\$ (55,385)	\$ 660,112	\$ 877,708
Additions:				
State appropriations	-	126,734	24,067	150,801
Tuition and fees	47,123	-	479,799	526,922
Sales and services	82,825	45,735	291,218	419,778
Interest on investments	-	5,285	7,355	12,640
Miscellaneous	1,498,038	-	61,121	1,559,159
<b>Total additions</b>	<b>1,627,986</b>	<b>177,754</b>	<b>863,560</b>	<b>2,669,300</b>
Deductions:				
Services	260,100	240,093	102,526	602,719
Materials and supplies	556,462	-	154,679	711,141
Travel	315,219	-	69,028	384,247
Scholarships	551,741	-	44,742	596,483
Miscellaneous	20,993	-	179,080	200,073
<b>Total deductions</b>	<b>1,704,515</b>	<b>240,093</b>	<b>550,055</b>	<b>2,494,663</b>
Balances end of year	\$ 196,452	\$ (117,724)	\$ 973,617	\$ 1,052,345

See accompanying Independent Auditor's Report.

**IOWA CENTRAL COMMUNITY COLLEGE**

**SCHEDULE OF CREDIT AND CONTACT HOURS**

**Year Ended June 30, 2009**

<b>Category</b>	<b>Credit Hours</b>		<b>Total</b>
	<b>Eligible for Aid</b>	<b>Not Eligible for Aid</b>	
Arts and Sciences	84,522	-	84,522
Vocational Education	38,190	-	38,190
Adult Education/Continuing Education	-	-	-
Cooperative Programs/Services	-	-	-
	122,712	-	122,712

See accompanying Independent Auditor's Report.



**Schedule 8**

<b>Contact Hours</b>		
<b>Eligible for Aid</b>	<b>Not Eligible for Aid</b>	<b>Total</b>
1,662,220	-	1,662,220
832,258	-	832,258
513,752	188,442	702,194
-	11,804	11,804
3,008,230	200,246	3,208,476

**IOWA CENTRAL COMMUNITY COLLEGE**

**SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES**  
**For the Last Ten Years**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Local (property tax)	<b>\$ 5,818,758</b>	<b>\$ 3,540,724</b>	<b>\$ 3,557,131</b>	<b>\$ 4,326,970</b>
State	<b>12,477,593</b>	<b>11,495,819</b>	<b>10,588,190</b>	<b>10,232,644</b>
Federal	<b>8,358,649</b>	<b>6,249,882</b>	<b>5,588,092</b>	<b>6,545,688</b>
<b>Total</b>	<b>\$ 26,655,000</b>	<b>\$ 21,286,425</b>	<b>\$ 19,733,413</b>	<b>\$ 21,105,302</b>

See accompanying Independent Auditor's Report.

## Schedule 9

Year Ended June 30,						
	2005	2004	2003	2002	2001	2000
\$	3,716,759	\$ 3,667,753	\$ 3,690,385	\$ 3,244,893	\$ 3,137,430	\$ 3,059,283
	8,436,420	8,146,823	8,031,162	8,951,614	9,589,254	8,339,584
	6,420,694	6,253,707	5,763,056	4,866,529	4,013,155	4,190,832
\$	18,573,873	\$ 18,068,283	\$ 17,484,603	\$ 17,063,036	\$ 16,739,839	\$ 15,589,699

# IOWA CENTRAL COMMUNITY COLLEGE

## SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION For the Last Ten Years

	2009	2008	2007	2006
Revenues:				
State appropriations	\$ 11,564,261	\$ 11,165,271	\$ 10,369,493	\$ 9,391,912
Tuition and fees	17,473,089	15,284,473	13,713,940	12,008,732
Property tax	3,385,350	2,480,517	2,507,291	3,313,307
Federal appropriations	8,358,413	6,249,361	5,588,092	6,143,591
Sales and services	1,523,171	1,330,600	1,680,551	1,453,867
Interest on investments	278,197	667,046	850,523	782,516
Iowa Industrial New Jobs Training Program	1,910,326	2,124,379	2,073,371	2,125,884
Auxiliary enterprises	10,964,404	10,611,526	8,958,337	7,658,956
Miscellaneous	183,978	185,340	170,645	200,508
<b>Total</b>	<b>\$ 55,641,189</b>	<b>\$ 50,098,513</b>	<b>\$ 45,912,243</b>	<b>\$ 43,079,273</b>
Expenditures:				
Liberal arts and sciences	\$ 7,029,027	\$ 6,458,272	\$ 5,485,941	\$ 4,634,294
Vocational technical	5,837,171	5,573,585	5,130,353	4,880,693
Adult education	2,631,646	2,592,335	2,600,410	2,395,313
Cooperative services	3,618,142	3,607,913	3,548,282	3,303,993
Administration	1,243,654	1,273,628	1,472,722	1,076,106
Student services	4,402,589	4,030,144	3,581,358	3,583,769
Learning resources	293,612	270,819	300,293	332,257
Physical plant	4,081,440	3,425,182	3,670,110	3,127,923
General institution	7,813,078	6,828,116	6,195,145	6,322,947
Auxiliary enterprises	8,966,134	8,832,852	7,464,479	6,079,921
Scholarships and grants	6,297,795	5,196,211	4,153,217	3,850,833
Workforce Investment Act	95,476	80,691	107,114	267,185
<b>Total</b>	<b>\$ 52,309,764</b>	<b>\$ 48,169,748</b>	<b>\$ 43,709,424</b>	<b>\$ 39,855,234</b>

See accompanying Independent Auditor's Report.

## Schedule 10

Year Ended June 30,					
2005	2004	2003	2002	2001	2000
\$ 8,436,420	\$ 8,146,823	\$ 8,031,162	\$ 8,295,637	\$ 8,938,300	\$ 8,339,584
11,194,233	10,094,979	9,468,100	8,299,631	6,862,070	5,966,685
2,713,047	2,478,962	2,516,079	2,074,461	2,005,575	1,980,995
5,687,324	6,253,707	5,763,056	4,866,529	4,013,155	4,190,832
1,034,224	1,120,455	795,362	1,082,770	772,799	706,633
403,503	203,617	233,853	295,119	636,141	213,587
2,446,804	2,178,176	1,589,859	1,605,970	2,380,662	-
7,006,616	6,591,754	6,084,478	5,591,607	4,982,088	2,390,469
208,799	123,583	194,835	191,061	176,240	3,681,123
\$ 39,130,970	\$ 37,192,056	\$ 34,676,784	\$ 32,302,785	\$ 30,767,030	\$ 27,469,908
\$ 4,302,081	\$ 4,239,682	\$ 4,150,928	\$ 4,113,994	\$ 3,988,276	\$ 3,678,891
4,479,277	4,534,697	4,508,996	3,670,346	3,212,518	2,987,455
2,291,070	2,263,284	2,087,055	2,077,024	2,006,406	1,463,189
3,430,094	2,994,983	2,407,870	2,294,973	2,948,664	4,039,962
1,268,979	1,328,303	1,153,428	1,611,537	1,519,399	1,296,268
3,110,119	2,927,490	2,795,901	2,314,860	2,205,252	1,908,859
327,582	313,242	322,655	272,675	294,735	322,392
2,744,741	2,355,202	2,129,556	2,181,347	1,967,632	1,633,089
5,295,762	5,099,828	3,450,649	3,535,098	3,763,371	3,806,120
5,539,102	5,905,512	5,348,539	4,719,632	3,979,365	2,125,607
4,174,065	4,347,639	4,338,161	3,763,904	2,943,792	2,439,212
420,187	545,466	743,400	574,323	684,975	-
\$ 37,383,059	\$ 36,855,328	\$ 33,437,138	\$ 31,129,713	\$ 29,514,385	\$ 25,701,044

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2009**

<b>Grantor/Program</b>	<b>CFDA Number</b>	<b>Program Expenditures</b>	<b>New Loans and New Loan Guarantees</b>
Direct:			
U.S. Department of Education:			
Student Financial Aid - cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	\$ 152,591	\$ -
Federal Family Education Loans	84.032	-	14,185,056
Federal Work-Study Program (FWS)	84.033	152,919	-
Federal Pell Grant Program	84.063	5,256,819	-
Federal Academic Competitiveness Grant	84.375	156,544	-
		<u>5,718,873</u>	<u>14,185,056</u>
TRIO Student Support Services	84.042A	<u>245,967</u>	<u>-</u>
Title III	84.031A	<u>376,561</u>	<u>-</u>
U.S. Department of Justice:			
Regional Law Enforcement Training Program	16.753	<u>225,339</u>	<u>-</u>
<b>Total direct</b>		<u>6,566,740</u>	<u>14,185,056</u>

(Continued on next page)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect:			
U.S. Department of Labor:			
Indirect through Iowa Workforce Development:			
WIA-Adult Program	17.258	\$ 3,017	\$ -
SWA Incentive	17.258	121	-
Wagner Peyser	17.207	3,943	-
Unemployment	17.225	3,637	-
WIA-Youth Activities	17.259	5,731	-
WIA-Dislocated Workers	17.260	10,209	-
New Iowans Center	17.261	1,694	-
WIA Literary Services Grant	17.267	49,461	-
Disabled Veterans' Outreach Program (DVOP)	17.801	661	-
Indirect through Iowa Department of Education:			
Mine Health and Safety Grants	17.600	1,350	-
Family Literacy Grant	16.267	48,069	-
U.S. Department of Education:			
Indirect through the Iowa Department of Education:			
Adult Education - State Grant Program	84.002	206,754	-
Tech-Prep Education	84.048A	87,495	-
Vocational Education - Basic Grant to States:			
Title II-B Program Improvement	84.048A	362,014	-
Vocational Prep Corrections	84.048A	22,000	-

(Continued on next page)

## IOWA CENTRAL COMMUNITY COLLEGE

Schedule 11  
(Continued)SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):			
U.S. Department of Education:			
Indirect through the Iowa Department of Corrections:			
Title I - Corrections	84.013A	\$ 32,592	\$ -
Indirect through Iowa Workforce Development:			
Job Opportunities and Basic Skills Training:	93.558	13,064	-
U.S. Department of Homeland Security:			
Indirect through the Eastern Kentucky University	97.068 &		
Rural Domestic Preparedness Consortium	97.005	236,926	-
U.S. Department of Agriculture:			
Indirect through the USDA Rural Development:			
Rural Business Enterprise Grant	10.769	19,703	-
U.S. Environmental Protection Agency	66.111	15,000	-
U.S. Department of Energy:			
Iowa Central Quality Fuel Test Lab grant	81.117	668,468	-
<b>Total indirect</b>		<b>1,791,909</b>	<b>-</b>
<b>Total</b>		<b>\$ 8,358,649</b>	<b>\$ 14,185,056</b>

See accompanying Independent Auditor's Report.

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa Central Community College and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



**IOWA CENTRAL COMMUNITY COLLEGE**



## **SCHNURR & COMPANY, LLP**

**Certified Public Accountants and Consultants**

### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Iowa Central Community College  
Fort Dodge, Iowa

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and the discretely presented component unit as of and for the year ended June 30, 2009, which collectively comprise the College's basic financial statements listed in the table of contents, and have issued our report thereon dated December 21, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Iowa Central Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Iowa Central Community College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Iowa Central Community College's financial statements that is more than inconsequential will not be prevented or detected by Iowa Central Community College's internal control. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Iowa Central Community College's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We don't consider the significant deficiency described above to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Iowa Central Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Iowa Central Community College's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Iowa Central Community College and other parties to whom Iowa Central Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Schnurr & Company, LLP*

Fort Dodge, Iowa  
December 21, 2009

### **Internal Control Over Compliance**

The management of Iowa Central Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Iowa Central Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the College's internal control that might be significant deficiencies or material weaknesses as defined below. We identified no deficiencies in internal control over compliance that we consider to be material weaknesses.

A control deficiency in the College's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the College's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the College's internal control.

Iowa Central Community College's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Iowa Central Community College and other parties to whom Iowa Central Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

*Schnarr & Company, LLP*

Fort Dodge, Iowa  
December 21, 2009



## **SCHNURR & COMPANY, LLP**

**Certified Public Accountants and Consultants**

### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
Iowa Central Community College  
Fort Dodge, Iowa

#### **Compliance**

We have audited the compliance of Iowa Central Community College, Fort Dodge, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Iowa Central Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on Iowa Central Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Central Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Iowa Central Community College's compliance with those requirements.

In our opinion, Iowa Central Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**IOWA CENTRAL COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009**

**Part I: Summary of the Independent Auditor's Results**

- (A) An unqualified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (C) The audit did not disclose any noncompliance which is material to the financial statements.
- (D) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings that were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
  - Student Financial Aid - Cluster:
    - CFDA Number 84.007 - Federal Supplemental Educational Opportunity Grants
    - CFDA Number 84.033 - Federal Work-Study Program
    - CFDA Number 84.063 - Federal Pell Grant Program
    - CFDA Number 84.032 - Federal Family Education Loans
    - CFDA Number 84.375- Federal Academic Competitiveness Grant
- (H) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (I) Iowa Central Community College qualified as a low-risk auditee.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**YEAR ENDED JUNE 30, 2009**

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NONCOMPLIANCE:**

No matters were reported.

**SIGNIFICANT DEFICIENCIES:**

- II-A-09    Satellite Campus Receipt Controls - An important aspect of internal control is the segregation of duties among employees so that the activities of one employee act as a check on those of another. No employee should be responsible for an entire transaction cycle.

The Community College's satellite campuses collect receipts for tuition and fees, book sales and miscellaneous revenues. Due to the limited number of staff at each center, receipts may be collected, recorded and deposited by the same individual.

While it is recognized that many methods of achieving good internal control are not adaptable to a small staff, some degree of effective control may always be obtained by appropriate organization or strengthening supervisory control procedures.

Recommendation - The Community College should review procedures in an effort to improve supervisory control over satellite campus receipts.

Response - Every effort is made to maintain efficient controls and still be cost effective at the satellite centers. Since June, 1993, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Webster City Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge. Since May, 1996, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Storm Lake Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge.

Discussion and review of receipting procedures take place periodically with supervisory staff at the centers.

Conclusion - Response accepted.

**Part III: Findings and Questioned Costs for Federal Awards:**

**INSTANCES OF NON-COMPLIANCE AND SIGNIFICANT DEFICIENCIES:**

No matters were reported.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**YEAR ENDED JUNE 30, 2009**

**Part IV: Other Findings Related to Required Statutory Reporting:**

- IV-A-09 Certified Budget - Expenditures for the year ended June 30, 2009 did not exceed the amounts budgeted.
- IV-B-09 Questionable Expenditures - No expenditures that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-09 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-09 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-09 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-09 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-09 Publication - The Community College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-09 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.
- IV-I-09 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College were supported by detailed records maintained by the Community College.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Schnurr & Company, LLP*

Fort Dodge, Iowa  
December 21, 2009